

## Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY TOKYO

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E.O. 11652: N/A

TAGS: BDIS, JA

SUBJECT: TRADE DISPUTE: HORIZONS INTERNATIONAL VS. KENTEI  
SHIN NIPPON SHA

1. HORIZONS INTERNATIONAL (HI) HAS REQUESTED DEPARTMENT'S ASSISTANCE IN OBTAINING INFORMATION FROM JAPANESE SURVEY FIRM NEEDED TO SETTLE 650,000 DOLLAR TRADE DISPUTE. HORIZONS, LOCATED AT 16130 VENTURA BLVD., ENCINO, CA, 91436 (TEL. 213-990-2972) CLAIMS THAT IT ORDERED LARGE VOLUME OF CAUSTIC SODA THROUGH MITSUBISHI INTERNATIONAL CORPORATION IN LOS ANGELES. MITSUBISHI SHIPPED CHEMICAL IN NOVEMBER OF 1974 BUT, UPON ARRIVAL IN CALIFORNIA, IT WAS FOUND TO BE UNUSABLE BECAUSE OF HIGH IRON CONTENT. SHIPMENT WAS ACCEPTED "UNDER PROTEST" BY PURCHASER.
2. HI VICE-PRESIDENT, HOWARD MERCER, CLAIMS KENTEI SHIN NIPPON SHA, 25-23 TAKANAWA, 3-CHOME, MINATO KU, TOKYO (TEL. 03-449-2611) LICENSED SURVEYING FIRM IN JAPAN PERFORMED INCORRECT SURVEY ON CHEMICALS PRIOR TO SHIPMENT AND THAT CHEMICAL WAS LIKELY ALREADY CONTAMINATED AT TIME OF SHIPMENT. HI SAYS IT POSSESSES TWO DIFFERENT SURVEY REPORTS WITH SAME DATE AND BEARING SAME NUMBER BUT WITH DIFFERENT FINDINGS. IT CLAIMS THAT KENTEI SHIN NIPPON SHA, WHICH IS APPARENTLY MEMBER OF JAPAN MEASURERS AND SWORN SURVEYORS'

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ASSOCIATION, IS OBLIGED TO PROTECT INTEREST OF PURCHASER

AS WELL AS SHIPPER, BUT THAT KENTEI SHIN NIPPON SHA HAS REFUSED ON ADVICE OF LAWYER, TO ANSWER MERCER'S QUESTIONS ABOUT HORIZON'S CASE WHEN HE CALLED THEM WHILE IN TOKYO ON APRIL 2. MERCER INFORMS US THAT HI HAD BEEN USING NIHON KAIJI KENTEI KYOKAI (KAIJI BLDG., 9-7 HACHOBORI, 1-CHOME, CHUO KU, TOKYO, TEL: 03-552-0141 FOR ITS SURVEYS AND EXPERIENCED NO PROBLEMS WHATSOEVER IN OVER THREE YEARS AND 20 SHIPMENTS. HE SAID THAT MITSUBISHI PRESSED THEM TO USE KENTEI SHIN NIPPON SHA BECAUSE CHEMICALS WERE SHIPPED FROM REMOTE LOCATION (KASHIMA) WHERE NIHON KAIJI KENTEI KYOKAI DOES NOT HAVE OFFICES (MERCER CLAIMS THAT HE HAS SINCE FOUND THIS TO BE UNTRUE).

3. SHIPMENT WAS MADE ON NOVEMBER 27, 1974, ON MV "STOUT DRAGON" OF LIBERIAN REGISTRY FROM KASHIMA. KENTEI SHIN NIPPON SHA SURVEY WAS DATED 11/29/74, SIGNED BY R. MURASAKI AND BEARS NUMBER 74-TA47A.

4. MERCER CLAIMS THAT STANDARD OIL OF OHIO HAS SIMILAR PROBLEM WITH KENTEI SHIN NIPPON SHA AND IS NOW TRYING TO RECOVER OVER TWO MILLION DOLLARS IN LOSSES. MERCER SAYS THAT HI HAS FILED SUIT IN LOS ANGELES AGAINST MITSUBISHI BUT HAS NOT YET TAKEN ANY LEGAL ACTION IN JAPAN, IN PART BECAUSE OF DIFFICULTY IN FINDING LAWYER WILLING TO HANDLE CASE AGAINST MITSUBISHI COMPLEX.

5. IN VIEW OF LARGE AMOUNT OF MONEY INVOLVED, WE WOULD APPRECIATE EMBASSY LOOKING INTO MATTER AND OFFERING ADVICE AS TO BEST METHOD OF HANDLING CASE. KISSINGER

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